

Martin Gas, Inc.

P. O. Box 783
Hindman, Kentucky 41822

Jed Weinberg
Manager

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April 28, 2004

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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COMMISSION

Case 2004-00155

Dear Tom:

During a recent audit of Martin Gas, Inc., the auditor, after reviewing our tariff, made the following written comment: "Although the rates Martin is charging its customers are consistent with the rates approved by the Commission in the company's last GCA filing (CN 90-402-AG), the rates of several of the company's suppliers have changed and two new suppliers have been added. In order to be consistent with its tariff on file with the Commission, the company should file a GCA based on its current gas costs."

Mr. Hinton had been specifically advised by me that we have not updated the tariff because it would mean increasing gas prices for our customers and we have not wanted to increase them. I further advised him we had not filed any request for increase since February 2001 for the same reason.

Enclosed are our appropriate tariff filings for the areas of Floyd County and Caney Creek, as requested by Mr. Hinton in Case Number 90-402-AI. You can see that this would lead to a \$1.108 per mcf increase in rates for our consumers.

This is to request a waiver from this filing, so there will be no increase for our customers.

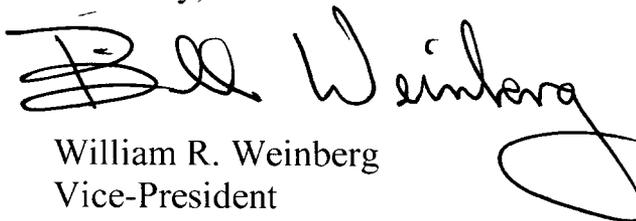
It is incomprehensible to me how a Commission charged with looking after the best interests of consumers could put itself in the position of requiring a

company to raise consumer rates when the company has specifically indicated its desire to keep rates down.

In any case, it is still our strong resolve not to increase rates to our consumers at this time, and we ask that you ignore these gas adjustments and not increase the rates charged to customers.

Please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Weinberg". The signature is written in a cursive style with a large, looping flourish at the end.

William R. Weinberg
Vice-President

sr

Enclosure(s)

c Daniel Hinton, CPA
Thomasine Robinson, Mayor, City of Martin, KY

Martin Gas, Inc.
PGA 90-402-AG

Purchased gas adjustment reflecting change in rates to be effective July 1, 2004 based on suppliers rates of January 1, 2004 based on purchases from February 2003 through January 2004.

Rate Case No. 90-402-AG

Supplier	Mcf	Rate/Mcf	Cost of Purchases	Average Cost of Purchases
(1) Clean Gas	5,934	3.50	20,769.00	4.0106
(2) Clean Gas, Agent	22,459	3.50	78,606.50	
(3) Equitable	<u>1,373</u>	14.57	<u>20,004.61</u>	
(4) Total	29,766		119,380.11	
Proposed Rates July 1, 2004				
(5) Clean Gas	5,934	5.00	29,670.00	5.1186
(6) Clean Gas, Agent	22,459	5.00	112,295.00	
(7) Equitable	<u>1,373</u>	7.5712	<u>10,395.26</u>	
(8) Total	29,766		152,360.26	
Change in Rates				+1.108

Martin Gas, Inc.
Present and Proposed Rates

Base Rates, 90-402-AG

Minimum	\$10.8905
All Over 1 Mcf	\$10.7737

Case No. 90-402-AH July 1, 2004

Minimum	\$11.9985
All Over 1 Mcf	\$11.8817